

CHRISTINE O. GREGOIRE
Governor




STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

July 18, 2006

Hugh D. Spitzer, Chair
Affordable Housing Advisory Board
1111 Third Avenue, Suite 3400
Seattle, WA 98101

Re: Task Force on Growth Management Act (GMA) and Affordable Housing

Dear Mr.  Spitzer:

I recently received the enclosed letter from Washington Realtors that was also addressed to Senate Majority Leader Lisa Brown and House Speaker Frank Chopp. In that letter, the Realtors emphasize the need to maintain an adequate supply of affordable housing through better implementation of the Growth Management Act.

One of the Realtors' suggestions is to convene a work group to develop recommendations on increasing housing supply within Washington State. This is an excellent idea. I believe that, because of its statutory role as an entity representing the broad spectrum of members of the housing industry, the Affordable Housing Advisory Board (AHAB) is the appropriate body to sponsor such a work group. Consequently, I would appreciate it if you would convene an AHAB task force on GMA and housing, involving representatives of AHAB, the Realtors, the residential construction industry, cities, counties, and other groups that are vitally interested in expanding the supply of affordable housing through better implementation of the GMA, including the provision of more tools and incentives.

Among the topics that such a work group could review are:

- The allocation of infrastructure costs for new housing, including the share of costs imbedded in the price of new housing units versus the share paid by the community at large. The consideration of infrastructure costs should also include discussion of impact fees and concurrency.
- Mechanisms for encouraging communities to meet their GMA housing goals, including those communities' commitments to density. This discussion could include ways in which the state might focus public works resources on those communities that are working effectively to meet those housing goals.



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- Discussion of mechanisms to make zoning and building requirements more efficient and flexible while preserving the full range of safety and environmental protections.
- Ideas on how communities might be able to ensure that there is sufficient capacity to accommodate projected population growth when necessary regulations reduce the supply.

It would be very helpful for this work group to provide recommendations prior to the 2007 Legislative Session. I recognize that this is a tight timeline, but I very much appreciate your willingness to assist us in reviewing these critical issues.

Sincerely,



Chris Gregoire
Governor

Enclosure

cc: Speaker Frank Chopp
Senator Lisa Brown
Senator Darlene Fairley
Senator Jim Kastama
Representative Mark Miloscia
Representative Geoff Simpson
Terry Sullivan, President, Washington REALTORS®
Juli Wilkerson, Director, Department of Community, Trade and Economic Development



STATE OF WASHINGTON

July 18, 2006

Terry Sullivan
President
Washington REALTORS®
504 14th Avenue S.E., Suite #200
Olympia, WA 98501

Dear Mr. Sullivan:

Thank you for your letter on behalf of the Washington Realtors regarding affordable housing in Washington.

We agree that affordable homes are a necessary ingredient for both families and communities to thrive. We share your concern that, despite our state's proactive efforts to expand affordable housing stock through the state Housing Trust Fund and the Washington Housing Finance Commission's programs, many individuals and families are still struggling to access safe and affordable housing. We are aware that in some communities, especially in San Juan County and in the Central Puget Sound area, even middle-income working families are now finding it difficult to find affordable housing.

As you know, housing affordability is affected by multiple factors – stagnating household real income for most socioeconomic groups, significant population growth, and housing prices that are growing much faster than inflation in many parts of our state. Growth in housing costs can be attributed to building material prices and insurance costs that outpace inflation, limited funding for infrastructure expansion, and building or land-use regulations. Given the multiple factors at work, we agree with you that a balanced approach is necessary in order to develop an effective response to this growing social and economic problem.

Your letter points out that local governments control land use. The state's Growth Management Act, initially adopted in 1990, does require most counties to develop comprehensive plans to meet a range of public goals, including promoting the availability of affordable housing. It is clear from your letter that you believe the current local plans are inadequate. You suggest that a workgroup be tasked to consider ways to increase the supply of affordable housing in our state. We agree that exploring this issue in greater detail, prior to the next legislative session, would be beneficial.




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The Legislature created the state's Affordable Housing Advisory Board (AHAB) in statute in 1993 specifically to analyze solutions and programs to address the state's need for affordable housing and to provide recommendations to the Governor and the Legislature. We feel that AHAB should be the appropriate entity to consider the issues you have raised in more detail. Please see the enclosed letter to Hugh Spitzer, AHAB Chair, requesting that AHAB convene a work group to consider how Growth Management Act planning could better promote affordable housing and to provide recommendations by the end of the year.

In order to stem growing problems in this area, we agree it is important to consider whether, and how, current public policies could be strengthened to better address our families' and communities' needs.

Sincerely,


Chris Gregoire
Governor


Frank Chopp
Speaker of the House


Lisa Brown
Senate Majority Leader

Enclosure

cc: Senator Darlene Fairley
Senator Jim Kastama
Representative Geoff Simpson
Representative Mark Miloscia
Hugh D. Spitzer, Chair, Affordable Housing Advisory Board
Juli Wilkerson, Director, Department of Community, Trade and Economic Development